

South Dakota Public Utilities Commission Meeting
Wednesday, July 11, 2007, at 1:30 P.M.
State Capitol Building, LCR1
Pierre, South Dakota

NOTE: *If you wish to join this meeting by conference call, please contact the Commission at 605-773-3201 by 5:00 p.m. on July 10, 2007. Lines are limited and are given out on first come/first serve basis, subject to possible reassignment to accommodate persons who must appear in a proceeding. Ultimately, if you wish to participate in the Commission Meeting and a line is not available you may have to appear in person.*

NOTE: *To listen to the Commission Meeting live please go to the PUC's website www.puc.sd.gov and click on the LIVE button on the home page. The Commission requests that persons who will only be listening to proceedings and not actively appearing in a case listen via the webcast to free phone lines for those who have to appear. The Commission meetings are archived on the PUC's website under the Commission Actions tab and then click on the LISTEN button on the page.*

NOTE: *Notice is further given to persons with disabilities that this Commission meeting is being held in a physically accessible place. If you have special needs, please notify the Commission and we will make all necessary arrangements.*

AGENDA OF COMMISSION MEETING

Consumer Reports

1. **Status Report on Consumer Utility Inquiries and Complaints Received by the Commission.**
(Consumer Affairs: Deb Gregg)

Electric

1. **EL06-018 In the Matter of the Consideration of the New PURPA Standards (Staff Analyst: Nathan Solem, Staff Attorney: Kara Van Bockern)**

On August 8, 2005, the Energy Policy Act of 2005 ("EPAAct 2005") was signed into law. Certain provisions in the EPAAct 2005 amend the Public Utility Regulatory Policies Act ("PURPA") of 1978. The EPAAct 2005 adds five new federal standards to PURPA. The five standards regard net metering, fuel diversity, fossil fuel generation efficiency, smart metering, and interconnection for distributed resources. Under the EPAAct 2005, the Public Utilities Commission (Commission) has varying timelines within which to consider these standards and determine whether to adopt them. The Commission voted to open a docket to seek comments from interested persons or entities on how to proceed. The Commission requested comments on the following: 1) which electric utilities operating in South Dakota are affected by the standards and are subject to the Commission's jurisdiction? 2) Should the Commission open a docket for each utility or open a generic docket encompassing all of the affected utilities? 3) Should the Commission combine all of the standards, some of the standards, or have separate dockets for each standard? 4) Should the Commission hold evidentiary hearings with direct testimony and cross-examination? 5) If the Commission decides to implement any of the standards, should it do so through a rulemaking? 6) With respect to the net metering standard, should the Commission find it is not required to consider this standard given that the Legislature has already considered net metering in a past legislative session? Comments were received from the South Dakota Rural Electric Association and South Dakota Electric Utility

Companies. A hearing in this matter was held May 30, 2007. Staff filed a letter of recommendations on June 13, 2007.

TODAY, what is the Commission's Decision Regarding PURPA Standard 14, Time-Based Metering and PURPA Standard 15, Interconnection?

Hydrocarbon Pipeline

1. **HP07-001 In the Matter of the Application of TransCanada Keystone Pipeline, LP for a Permit under the South Dakota Energy Conversion and Transmission Facility Act to Construct the Keystone Pipeline Project. (Staff Analysts: Martin Bettmann/Bob Knadle/Nathan Solem, Staff Attorney: Kara Van Bockern)**

On April 27, 2007, TransCanada Keystone Pipeline, LP, (Keystone) filed a siting permit application for the South Dakota portion of the Keystone Pipeline Project (Project). The Project will transport crude oil starting in Hardisty, Alberta, Canada and ending in Patoka, Illinois. The proposed 30 inch diameter pipeline will have a nominal capacity of 435,000 barrels of oil per day (bpd) with a possible expansion to 591,000 bpd. The proposed route will enter South Dakota at the North Dakota/South Dakota border in Marshall County and extend in a southerly direction, exiting the state at the South Dakota/Nebraska border in Yankton County. The length of the pipeline in South Dakota will be approximately 220 miles and it will cross the counties of Marshall, Day, Clark, Beadle, Kingsbury, Miner, Hanson, McCook, Hutchinson and Yankton. The Project also includes four pump stations in South Dakota located in Day, Beadle, Miner and Hutchinson counties along with 15 mainline valves with an average spacing of 15 miles between valves. On May 8, 2007, the Commission voted to assess a filing fee not to exceed \$351,100 with an initial deposit of \$8,000; approved the notification process; and approved locations and times for public hearings. At its June 5, 2007, meeting, the Commission voted to extend the intervention deadline to July 10, 2007. On June 6, 2007, commission staff filed a Motion for Release of Information Filed Confidential. Numerous written complaints have been filed with the Commission requesting confidential information filed by Keystone be made available to the general public. Party Status was granted to all that had filed prior to the start of the Ad Hoc commission meeting scheduled for June 12, 2007. Keystone filed redacted documentation on June 15, 2007, which was placed on the PUC website on June 20, 2007. On June 21, 2007, staff filed a letter and recommendations regarding the redacted filings. On June 12, 2007, Ramon Feller, Genevieve Liberty, Michael Burger, and Merrill Walters filed Applications for Party Status. William Klimish, Ruby McAllister, Kim Alberty, Robert Farrar, Kenneth Tuschen, Adeline Creviston, Raymond Anderson, Kaley Madsen, Valerie Madsen, Kirk Madsen, Kim Madsen, and Josh Kraft filed Applications for Party Status on June 13, 2007. Margaret Rahn, Carol Fischer, Bethlehem Norsk Evangelical Lutheran Church, Lawrence Roster, De Ette Goss, Edward Goss, Clark Moeckly, Viola Olson, and Elmer Erickson filed Applications for Party Status on June 14, 2007. James Feller, LuAnn Dather, Bernie Hunhoff, Deborah Hausman, Phyllis Peterson, Raymond Wormke Trust, Oris Hove and Susan Hove filed Applications for Party Status on June 15, 2007. The City of Yankton, Merrill Walters, Larry French, Gary Cwach, Norman Hofer, Ron Schaeffer, and Marlis Dodds filed Applications for Party Status on June 18, 2007. John Seih behalf of Granary Rural Cultural Center, Leo Sibson, Betty Jean Fisher, Michael Nelson, New Port Hutterian Brethren, Scott Weber and Pamela Vinz Weber, and Jean Burger filed Applications for Party Status on June 19, 2007. Wallace Hanson and Myrtis Hanson, Eileen Schmidt, Ryan Hastings, Mary Hastings, Richard Hastings, Teresa Hastings, Darlene Hastings, Chris Hastings, and Donnell Hanson filed Applications for Party Status on June 20, 2007. The City of Freeman, Lois Albin, Yankton Ag Service, Inc., Michael Sibson, Susan Sibson, Scott Anderson, BDM Rural Water System, Inc., Delores and Raymond Love, and Harlan Latimer filed Applications for Party Status on June 21, 2007. Angela Wermers, Richard Burghardt, Donald Fisher, Francis Heer, Judy Kaufman, Jonathan & Linda Dietrich, Sarah Stahl, Paul Decker, J. James New Trust, Theodore Sattler filed Applications for Party Status on June 22, 2007. Frank Kloucek, Oren Stahl, Bernard Wagner, Sr., Karen Hansen, Vicki Larsen, Grace Plath, Sharon Frank, Rhonda Hardina, Fredinand Barrie, Ila French, Jeanette Schramm, and Clara Friesen filed Applications for Party Status on June 25, 2007.

Floyd Carson, Julie Ann Lenius, Yankton County, Marlin Herrboldt, Hastings Land & Cattle Inc. Robert Hastings a/k/a Robert C Hastings , and Edward Novak filed Applications for Party Status on June 26, 2007. Melca DeJean, Dixie Conner, Arlene Marie Harper, Edward Munkrold, Janice Hofer, Carl Moschell, and Charles Stahl filed Applications for Party Status on June 27, 2007. Munkvold Land & Cattle Company, Inc. filed an Application for Party Status on June 28, 2007. Richard & Earla Strid filed an Application for Party Status on June 29, 2007. Darrell Nelson filed an Application for Party Status on July 2, 2007.

TODAY, shall the Commission Grant Party Status to any Parties that May have Filed?

Telecommunications

1. TC06-176 In the Matter of the Petition of Sprint Communications Company L.P. for Arbitration Pursuant to the Telecommunications Act of 1996 to Resolve Issues Relating to an Interconnection Agreement with Brookings Municipal Utilities d/b/a Swiftel Communications. (Staff Analyst: Harlan Best, Staff Attorney: Kara Van Bockern)

On October 16, 2006, Sprint Communications Company L.P. (Sprint) filed a petition to arbitrate, pursuant to SDCL 49-31-81 and ARSD 20:10:32:29-32, and Section 252(b) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996), certain terms and conditions of a proposed Interconnection Agreement between Sprint and City of Brookings Utilities d/b/a Swiftel Communications (Swiftel). Sprint filed a list of unresolved issues consisting of: (1) Should the definition of End User in this Agreement include end users of a service provider for which Sprint provides interconnection, telecommunications services or other telephone exchange services? (2) Does the Telecommunications Act authorize the Commission to arbitrate terms and conditions for interconnection obtained under Section 251(a) of the Telecommunications Act? If yes, what terms and conditions should the Commission impose on the parties in this proceeding? (3) Should the Interconnection Agreement permit the parties to combine wireless and wireline traffic on interconnection trunks? (4) Should the Interconnection Agreement permit the parties to combine all traffic subject to reciprocal compensation charges and traffic subject to access charges onto the interconnection trunks? (5) What is the appropriate reciprocal compensation rate for the termination of telecommunications traffic? (6) Should Sprint's proposed language regarding Local Number Portability be adopted and incorporated into the Interconnection Agreement? (7) Should the ILEC-proposed Directory Listing provisions, as modified by Sprint, be adopted and incorporated into the Interconnection Agreement? (8) Termination: A) Should the termination provision of the Interconnection Agreement permit the existing Interconnection Agreement to remain in effect while the parties are in the process of negotiating and/or arbitrating a replacement Interconnection Agreement? B) Should the Interconnection Agreement contain provisions that allow the parties to terminate the Agreement for: 1) a material breach; 2) if either party's authority to provide service is revoked or terminated; or, 3) if either party becomes insolvent or files for bankruptcy? (9) What 911 liability terms should be included in the Interconnection Agreement? (10) What Force Majeure terms should be included in the Interconnection Agreement? Sprint respectfully requests the Commission to arbitrate each of the remaining disputes between Sprint and Swiftel, to find in Sprint's favor and to adopt Sprint's proposed contract language. On November 3, 2006, The South Dakota Telecommunications Association (SDTA) filed a Petition to Intervene. Intervention was denied to SDTA at the December 6, 2006, Commission Meeting. On January 9, 2007, Sprint filed a Motion to Compel Swiftel be compelled to provide complete and appropriate responses to Request Nos. 2, 3, 15, 19, 26, 29, and 38. On January 9, 2007, Swiftel filed a Motion to Compel Sprint to provide substantive, non-evasive responses to discovery requests 4, 5, 13, 14, 15, 18, 20, 23, 24, 25 and 26 and to produce the documents requested in Requests for Production of Documents 1, 3, 4, 5 and 6 contained in the Discovery Requests of Brookings Municipal Utilities d/b/a Swiftel Communications to Sprint dated December 8, 2006. At its January 16, 2007, meeting the Commission granted a motion to compel in part. On January 26, 2007, SDTA filed a Petition for Reconsideration and Clarification. On July 3, 2007, a Second Joint Motion of Brookings Municipal Utilities

d/b/a Swiftel Communications and Sprint Communications Company, L.P. for Delay of Hearings on Sprint's Petition for Arbitration was filed.

TODAY, shall the Commission Grant the Motion for Delay of Hearings?

2. **In the Matter of the Request for Certification Regarding the Use of Federal Universal Service Support in Dockets TC07-032, TC07-039, TC07-041, TC07-042, TC07-044, TC07-045, TC07-052, TC07-054, TC07-055, TC07-056, TC07-058, TC07-060, TC07-062, TC07-063, TC07-067, and TC07-069**

TC07-032 In the Matter of the Request of James Valley Cooperative Telephone Company for Certification Regarding its Use of Federal Universal Service Support. (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)

On May 18, 2007, James Valley Cooperative Telephone Company (James Valley) provided information constituting James Valley's plan for the use of its federal universal service support and to otherwise verify that James Valley will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

TC07-039 In the Matter of the Request of Valley Telecommunications Cooperative Association, Inc. for Certification Regarding its Use of Federal Universal Service Support. (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)

On May 29, 2007, Valley Telecommunications Cooperative Association, Inc. (Valley) provided information constituting Valley's plan for the use of its federal universal service support and to otherwise verify that Valley will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

TC07-041 In the Matter of the Request of Splitrock Properties, Inc. for Certification Regarding its Use of Federal Universal Service Support. (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)

On May 29, 2007, Splitrock Properties, Inc. (Splitrock) provided information constituting Splitrock's plan for the use of its federal universal service support and to otherwise verify that Splitrock will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

TC07-042 In the Matter of the Request of Hills Telephone Company, Inc. for Certification Regarding its Use of Federal Universal Service Support. (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)

On May 29, 2007, Hills Telephone Company, Inc. (Hills) provided information constituting Hills's plan for the use of its federal universal service support and to otherwise verify that Hills will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

TC07-044 In the Matter of the Request of West River Telecommunications Cooperative (Mobridge) for Certification Regarding its Use of Federal Universal Service Support. (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)

On May 29, 2007, West River Telecommunications Cooperative (Mobridge) provided information

constituting Mobridge's plan for the use of its federal universal service support and to otherwise verify that Mobridge will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

TC07-045 In the Matter of the Request of West River Telecommunications Cooperative (McLaughlin) for Certification Regarding its Use of Federal Universal Service Support. (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)

On May 29, 2007, West River Telecommunications Cooperative (McLaughlin) provided information constituting McLaughlin's plan for the use of its federal universal service support and to otherwise verify that McLaughlin will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

TC07-052 In the Matter of the Request of Golden West Telecommunications Cooperative, Inc. for Certification Regarding its Use of Federal Universal Service Support. (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)

On May 29, 2007, Golden West Telecommunications Cooperative, Inc. (Golden West) provided information constituting Golden West's plan for the use of its federal universal service support and to otherwise verify that Golden West will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

TC07-054 In the Matter of the Request of Sioux Valley Telephone Company for Certification Regarding its Use of Federal Universal Service Support. (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)

On May 29, 2007, Sioux Valley Telephone Company (Sioux Valley) provided information constituting Sioux Valley's plan for the use of its federal universal service support and to otherwise verify that Sioux Valley will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

TC07-055 In the Matter of the Request of Union Telephone Company for Certification Regarding its Use of Federal Universal Service Support. (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)

On May 29, 2007, Union Telephone Company (Union) provided information constituting Union's plan for the use of its federal universal service support and to otherwise verify that Union will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

TC07-056 In the Matter of the Request of Vivian Telephone Company for Certification Regarding its Use of Federal Universal Service Support. (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)

On May 29, 2007, Vivian Telephone Company (Vivian) provided information constituting Vivian's plan for the use of its federal universal service support and to otherwise verify that Vivian will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

TC07-058 In the Matter of the Request of Venture Communications Cooperative for Certification Regarding its Use of Federal Universal Service Support. (Staff

Analyst: Harlan Best, Staff Attorney: Karen Cremer)

On May 30, 2007, Venture Communications Cooperative (Venture) provided information constituting Venture's plan for the use of its federal universal service support and to otherwise verify that Venture will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

TC07-060 In the Matter of the Request of RT Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support. (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)

On May 30, 2007, RT Communications, Inc. (RT) provided information constituting RT's plan for the use of its federal universal service support and to otherwise verify that RT will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

TC07-062 In the Matter of the Request of Jefferson Telephone Company for Certification Regarding its Use of Federal Universal Service Support. (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)

On May 31, 2007, Jefferson Telephone Company (Jefferson) provided information constituting Jefferson's plan for the use of its federal universal service support and to otherwise verify that Jefferson will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

TC07-063 In the Matter of the Request of PrairieWave Community Telephone, Inc. for Certification Regarding its Use of Federal Universal Service Support. (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)

On May 31, 2007, PrairieWave Community Telephone, Inc. (PrairieWave) provided information constituting PrairieWave's plan for the use of its federal universal service support and to otherwise verify that PrairieWave will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

TC07-067 In the Matter of the Request of City of Brookings Municipal Telephone for Certification Regarding its Use of Federal Universal Service Support. (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)

On June 1, 2007, City of Brookings Municipal Telephone (Brookings) provided information constituting Brookings's plan for the use of its federal universal service support and to otherwise verify that Brookings will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

TC07-069 In the Matter of the Request of Valley Telephone Company for Certification Regarding its Use of Federal Universal Service Support. (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)

On June 1, 2007, Valley Telephone Company (Valley) provided information constituting Valley's plan for the use of its federal universal service support and to otherwise verify that Valley will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

TODAY, shall the Commission Provide a Certification to the Federal Communications Commission and to the Universal Service Administration Company Regarding the Plan for the Use of Federal Universal Services Support as Proposed in Each of the Above Dockets?

2. In the Matter of the Filing for Approval of Amendments to Agreements in Dockets TC07-080 and TC07-081.

TC07-080 In the Matter of the Filing for Approval of an Amendment to an Interconnection Agreement between Qwest Corporation and Qwest Communications Corporation. (Staff Attorney: Kara Van Bockern)

On June 20, 2007, the Commission received a filing for the approval of a Collocation Available Inventory Amendment to the Interconnection Agreement between Qwest Corporation and Qwest Communications Corporation for the State of South Dakota.

TC07-081 In the Matter of the Filing for Approval of an Amendment to an Interconnection Agreement between Qwest Corporation and Covista, Inc. (Staff Attorney: Kara Van Bockern)

On June 20, 2007, the Commission received a filing for the approval of a Triennial Review Order and Triennial Review Remand Order Amendment to the Interconnection Agreement between Qwest Corporation and Covista, Inc. for the State of South Dakota.

TODAY, shall the Commission Approve the Amendments to the Above Agreements?

Announcements

1. The next regularly scheduled Commission meeting will be held August 7, 2007, at 9:30 a.m. in Room 412, State Capitol Building, Pierre, SD.
2. Commission meetings are scheduled for August 28 and September 11, 2007.



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July 5, 2007